

77-6179

77-0278

14 January 1977

## MEMORANDUM FOR THE RECORD

FROM : John F. Blake  
Deputy Director for Administration

SUBJECT: Review of Mr. Sorensen's Draft Confirmation  
Statement

STAT 1. At approximately 8:00 A.M., Friday, 14 January 1977, [ ] contacted me on the following matter. Mr. Sorensen had completed the previous evening a draft confirmation hearing statement. He had asked that it be reviewed by selected senior officers of the Agency and their comments be given to him. [ ] told me he had made Messrs. Bush and Knoche, as well as [ ] aware of this matter. STAT

STAT 2. I asked [ ] to immediately send me a copy of the statement as well as having other copies available for members of the 9:00 A.M. Meeting. I further told him I would think through an area of propriety that was on my mind on this issue.

3. The 9:00 A.M. group was convened as an ad hoc session of those present. I informed them of Mr. Sorensen's request and established the following ground rules, which met with approval of the collective body:

a. We would address ourselves only to institutional matters, i.e., correct any factual errors or present advice if we felt his portrayal of institutional positions should be reconsidered.

b. Grammatical changes would be accepted as a service.

c. We should not address ourselves to any matters in the statement that bore on his personal philosophy, explanations of any past acts or positions he had taken, etc.

d. We would meet as a body of equals and decisions would be approved by a consensus.

4. In previous discussion between [ ] and myself it was agreed that [ ] would furnish a separate statement to Mr. Sorensen.

8. The meeting was conducted in the frame of reference discussed above and concluded at 10:00 A.M. About six professional observations were made that were to be relayed to Mr. Sorensen. At the conclusion of the meeting all copies of the draft statement, with the exception of Mr. Cary's copy, were reclaimed and returned to [ ]

STAT  
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STAT

John F. Blake

MEMORANDUM FOR:

~~Mr. Smith~~

To *Mr. Blake*

Mr. Jack Blake dropped off the attached and asks that you pass to Mr. Sorensen. The paper responds to questions Mr. Sorensen put to Mr. Blake Tuesday night.

13 Jan 77 - 2:55 pm  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

STAT

STAT

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

**FROM:**  
 John F. Blake  
 Deputy Director for Administration  
 Room 7D24, Headquarters

EXTENSION

NO.

DDA 77-0277

DATE

14 January 1977

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.  
 DDCI  
 Room 7D-6011

1/16  
*[Handwritten initials]*

Hank:

Attached is some paper  
 work pertaining to both  
 Mr. Sorensen and Mr. Bush  
 that came up last week  
 concerning which I believe  
 you would like to be made  
 aware.

*[Handwritten signature]*

John F. Blake

7 Atts

STAT

*[Handwritten signature]*  
 D C I bch

11 JAN 1977

Mr. Blake,

I had a call at 9:20 a.m., this morning from Mr. Marshall Smith of Mr. Sorensen's Office in New York. He advised as follows.

Mr. Sorensen will be in the Headquarters Building this evening for briefings by Dick Lehman and Bill Wells, starting at 7:30 p.m. Mr. Sorensen would like to meet with you for about five or 10 minutes prior to starting these briefings.

*CHANGED,  
NOT SO!*

STAT  
STAT  
STAT  
Mr. Sorensen has come to the conclusion that it is too much of a strain to try to commute from New York to Washington and, therefore, plans to be here "pretty much full-time". He is going to need to get an office set up and will require some secretarial support [redacted] will not be reporting to the Agency in the immediate future). In addition, [redacted] will be coming along with Mr. Sorensen for approximately three weeks to a month, but on a temporary basis only. He said his wife is attending school in New Haven and consequently it just wasn't a good time to make the move. He inquired as to how long it would take to clear him for access to "SECRET" material.

*Office set up for 3 people  
7:30 - 10:00 am meeting 3 people*

De1/11 Jan 77

6 January 1977

MEMORANDUM FOR: Mr. Theodore C. Sorensen

FROM : John F. Blake  
Deputy Director for Administration

SUBJECT : Reimbursement for Shipment of  
Household Effects

1. This memorandum contains additional information beyond that given you in my memorandum of 5 January 1977 concerning payment for the movement of household effects.

2. Our contact in the Civil Service Commission has ascertained that the General Services Administration was the appropriate organization to respond to the query. A representative of the General Services Administration has contacted us and has stated that they have previously raised the issue with the General Accounting Office and that organization has given oral opinions to the effect that there is no authorization to pay for the shipment of household effects of Presidential Appointees. We were further informed that the General Services Administration has sensed the reluctance on the part of the General Accounting Office to put such an opinion in writing and the General Services Administration has not forced the issue.

3. I am sorry that this memorandum does not convey a more favorable message. There does remain to us another option to pursue the issue. We could request a formal opinion from the General Accounting Office as to whether we could legally reimburse for the expenses involved. I will be happy to exercise this option if you so desire.

/s/ John F. Blake

John F. Blake

Orig

Mr. Sorensen via [ ] (O-DCI)

DDA Subject (Registry File Eyes Only/Sealed Envelope)  
JFB Chrono

DDA:JFB:der (6 Jan 1977)

STAT  
STAT

CONFIDENTIAL

13 January 1977

MEMORANDUM FOR: Mr. Theodore C. Sorensen

FROM : John F. Blake  
Deputy Director for Administration

Sir:

1. This paper presents a series of attachments which are responsive to matters discussed between us on Tuesday, 11 January 1977. The attachments address the following subjects:

- Attachment A--an unclassified statement containing justification for your use of a Government-provided vehicle and driver.
- Attachment B--this attachment is an unclassified statement which represents your endorsement of the Peterson Pay Commission. We have endeavored to associate your support with relevant facts pertaining to CIA. For your information, there is a total of  people in the Agency who are compensated at either the Executive-Level pay position scale, the supergrade scale (GS-16, GS-17, and GS-18), or the Scientific Pay Scale. I have also included, for your background, at Attachment B a letter sent by Director Colby to the President on 13 January 1975 which addresses itself to this same general issue.
- Attachment C--this attachment presents the facts on those individuals brought into the Agency by both Mr. McCone and Dr. Schlesinger to serve them in a direct supporting staff capacity.

25X1

DOWNGRADED TO UNCLASSIFIED  
ON REMOVAL OF ATTACHMENTS  
"A" and "D"

25X1

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-- Attachment D--this attachment acquaints you with the authorized strength of the Offices of General Counsel and Legislative Counsel, as well as the Intelligence Community Staff.

25X1  
25X1  
2. I would also like to take this occasion to follow through on several other matters we have discussed. We have put [ ] under a consultant contract at a fee of \$152.32 per day, effective 12 January 1977. I had a pleasant session with [ ] and have given him a brief historical orientation on the Agency, as well as a briefing on our organizational structure, and have acquainted him with the names of the senior officers. He has also had a discussion with Mr. Gambino designed to acquaint him with our security culture and discipline.

25X1  
25X1  
3. We have sent some material on the Washington area to [ ] I am also making arrangements for a [ ] who performs real estate functions for the Agency, to meet with [ ] in New York City next week and give her further orientation. [ ] has need to be in New York City and looks forward to the opportunity to perform this courtesy.

25X

John F. Blake

5 Atts

Distribution:

Orig - Mr. Sorensen w/Orig Atts

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STATEMENT ON PETERSON PAY COMMISSION

STAT During the last 18 months, we lost the services of about 14 percent of our executive staff through voluntary retirements or resignations below age 60. This represented more than [ ] man-years of progressive Agency experience leading in each case to the exercise of senior executive responsibilities of the officers concerned. Although not expected to retire before age 60, the average age of those who retired at the GS-16 level was 55; at GS-17, 49; at GS-18, 52; and the Executive Pay level averaged 57 years of age. These retirements before 60 represent a loss of approximately [ ] potential man-years which would have been provided by these experienced personnel. It is our considered judgment that a great number of these individuals would not have departed had there been a more equitable compensation arrangement. This is true because not only would their current income have been at a higher level, but it would have guaranteed an appreciably higher pension income for life.

The contribution which these officers might have made, and which is now lost, is impressive. They were experienced senior officers in operations; in the analysis of economic, strategic forces, political intelligence; in our world-wide communications systems; and in managing support to the Agency's operations.

While this loss of executive talent is serious, I believe the pay ceiling is equally damaging through its intangible effect on the morale of senior officers in those levels wherein the lack of equitable compensation still exists.

In the interest of this Agency and, of course, the entire Federal service, I commend to you the support of appropriate legislation to provide an early lifting of this very serious restriction on our ability to attract, stimulate, and keep the very best personnel at executive levels.

Executive Registry

74-7156

18 JAN 1975

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

The Civil Service Commission recently made a study of the impact of the \$36,000 pay ceiling for Federal employees. This Agency's experience was not included in that study for security reasons, but I believe you would also be interested in the damaging effect of that ceiling on the management of CIA's personnel resources.

STAT As of 1 July 1973, [ ] executives under age 60 were on duty in this Agency. From then through the end of December 1974, we lost the services of about 22 percent of that number through voluntary retirements below age 60. This represented more than 2,000 man-years of progressive Agency experience leading in each case to the exercise of senior executive responsibilities by the officers concerned. Although they were not expected to retire before age 60, the average age of those who retired at the GS-16 level was 54; at GS-17 it was 53; and those who retired at GS-18 and the Executive Pay level averaged 55 years of age. These retirements before 60 represent a loss of approximately [ ] potential man-years which would have been provided by these experienced personnel.

The contribution which these officers might have made is impressive. Thirty-nine were senior geographic specialists in covert collection operations; 25 were expert in the analysis of economic, scientific, photographic, and political intelligence; seven were involved in directing our worldwide communications system and 17 in managing support to Agency operations. Although all of these were influenced to retire by several factors, the \$36,000 pay ceiling was certainly a factor of some significance in each case.

While this loss of executive talent is serious, I believe the pay ceiling is even more damaging through its intangible effect on the attitudes and behavior of senior officers in those levels wherein it precludes pay distinctions. The fundamental nature of our society denies the wisdom of removing pay incentives from those factors which motivate performance among our most responsible Federal officials.

In the interest of this Agency and, of course, the entire Federal service, I commend to you the support of appropriate legislation to provide an early lifting of this very serious restriction on our ability to attract, stimulate and keep the very best personnel at executive levels.

Respectfully,

/s/ W. E. Colby

W. E. Colby  
Director

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DD/Pers/PAC [ ] bbf (24 Dec 74)  
Revised: WEColby: bbf (8 Jan 75)

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